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SUBJECT: ITALIAN PM PRODI HAS "SATISFYING" TRIP TO INDIA

REF: KOLKATA 00054

Classified By: PolCouns Ted Osius for Reasons 1.4 (B,D)

¶1. (C) Summary. Italian Prime Minister Prodi and his 400-person entourage wrapped up their five-day trip to India on February 15 in New Delhi. The trip was marked by a heavy emphasis on business opportunities between the two countries (reftel) and personal rapport between Prodi and Prime Minister Singh, who also used their meetings to conclude several fairly anodyne agreements and have "wide-ranging" discussions. The visit appears to have raised Italy's profile with India's business community, but it was otherwise seemingly devoid of substance. End Summary.

Italian Embassy Very Pleased With Visit

¶2. (C) Gabriele Annis, head of the Italian Embassy's Political Section, told Poloff on February 20 that he was very pleased with the outcome of the trip. He said the visit "marks a revamp of the relationship," particularly as far as Italian business interests are concerned. A total of 400 businesspeople accompanied PM Prodi, which Annis believes is the largest delegation ever sent to India from a foreign country. His government will determine how successful the trip was by "registering an increase in the amount of

bilateral commerce." Moving forward, Italy will work to intensify visits at all levels of government, which has already been taking place--the governor of Lombardy and deputy prime minister made separate trips to India last month. Annis noted that "differences still exist" between the positions of India and Italy as to future reforms of the U.N., but also said that both sides at least recognize the need for change and agree that a wide consensus is needed to effect reforms. When asked if there were any developments outside of the media spotlight, Annis said there was "no secret, hidden progress" in discussions and that all was

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contained in the joint statement released at the trip's conclusion.

Prodi Finishes India Trip in New Delhi

13. (U) Following Italian Prime Minister Romano Prodi's stops in Chennai, Bangalore, Kolkata, and Mumbai, he and four accompanying ministers concluded their five-day trip to India with a visit to the capital on February 15. Prodi was reported to have had "wide-ranging talks" with PM Singh, who has known Prodi since their days in academia and called him a "friend of India." PM Singh highlighted the immense potential for economic and business ties between the two countries, a major theme of Prodi's trip prior to his stop in New Delhi. Both sides expressed their "commitment to work toward establishing a strategic partnership." Prodi also met with President Kalam and Sonia Gandhi, and extended

NEW DELHI 00000870 002 OF 003

invitations to both the Prime Minister and President to visit Italy.

Cooperation in a Variety of Areas

14. (U) While in New Delhi, the Italian and Indian delegations agreed on a two-year cultural exchange program and signed memoranda of understanding on counter-terrorism and renewable energy cooperation. Both sides vowed to continue to cooperate on implementing the U.N. Global Counter-Terrorism Strategy and work for the adoption of a comprehensive convention on international terrorism. They established a Joint Working Group on Infrastructure and will increase cooperation between their respective space agencies, the Agenzia Spaziale Italiana and the Indian Space Research Organization. Following the business-focused trend of the previous stops in India, the occasion also marked the inaugural meeting of the Indo-Italian CEOs Forum in New Delhi.

15. (U) On the United Nations, the two sides agreed to hold regular consultations in order to create a "more efficient" organization, but were not reported to have reached any specific plan otherwise. Regarding India's claim to a permanent seat in the U.N. Security Council, Prodi reportedly said that both countries have the same goal as aspirants for a role in the "new reality of the world," but he stopped short of explicitly endorsing an Indian seat. In their joint statement released on February 15, the two countries "welcomed the establishment of the Peacebuilding Commission at the U.N." and said they would continue to participate in the Commission's Organizational Committee.

Italy Offers Lukewarm Support for Civil Nuclear Cooperation

16. (U) In the joint statement, Italy "recognized the rising demand for energy in India and the need for international cooperation in this domain." The two sides "agreed to continue to discuss the need to adopt forward-looking

approaches to enhance international civil nuclear cooperation under the appropriate IAEA safeguards with India." The Italian and Indian delegations also indicated their support for international disarmament and non-proliferation efforts.

Iran and Afghanistan on Agenda

17. (U) In a local interview, Prodi noted that Italy is Iran's biggest trading partner in Europe. (Note: Italy is also India's fourth-largest trading partner in the EU. End note.) Prodi expressed disappointment that his predecessor, Silvio Berlusconi, had not sought inclusion in the EU3's (France, Germany, and U.K.) negotiations with Iran. When asked about the possibility of an Indo-Italian initiative to

NEW DELHI 00000870 003 OF 003

resolve the current situation, Prodi replied, "An initiative can come later. What we must do first is exchange views. Iran and Afghanistan are both part of India's area of concern too."

Comment: Satisfaction Despite Specifics

18. (C) Comment. Annis said that both sides' "deep satisfaction" with the visit was due in large part to "the measure of personal warmth between the two prime ministers," who have known each other since their days in academia. This visit helped cement Italy's relatively prominent position within the EU vis-a-vis India, and strove to keep Italy in the game as the U.S., Russia, China, and Japan are capturing more dramatic headlines here. Prodi and his entourage created positive atmospherics by signing the perfunctory joint statement calling for closer ties and better economic relations. The feat provided a welcome distinction to the maladroit comments of EU Commissioner for External Relations Benita Ferrero-Waldner, also visiting New Delhi at the time. She created some controversy here by saying, in a manner Indians found abrupt, that the EU would like to see India conclude a safeguards agreement with the IAEA and enter the Nuclear Non-Proliferation Treaty, the Comprehensive Test Ban Treaty, and the Fissile Material Cut-off Treaty. While her statement drastically overreached, it indicates an internal EU conflict over how far India should go in the non-proliferation realm. End comment.

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